GOVERNMENT OF INDIA
STEEL
LOK SABHA

STARRED QUESTION NO:15
ANSWERED ON:18.07.2016
Steel Production
Kachhadia Shri Naranbhai;Swami Maharaj Dr. Sakshi

Will the Minister of STEEL be pleased to state:

(a) the total quantum of steel produced by various public sector steel plants vis-a-vis targets set and percentage growth rate of steel production during each of the last three years;

(b) the percentage of total demand for steel fulfilled/met by the Steel Authority of India Limited (SAIL) during the above period;

(c) the details of problems being faced by SAIL including the funds crunch in view of the stiff competition posed by the private sector steel companies;

(d) the status of New Steel Policy and expansion/modernisation of steel plants of SAIL; and

(e) the corrective steps taken by the Government to address the problems faced by the Steel Sector?

Answer

THE MINISTER OF STEEL (SHRI CHAUDHARY BIRENDER SINGH)

(a)to(e): A Statement is laid on the Table of the Lok Sabha.

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STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE LOK SABHA STARRED QUESTION NO.*15 FOR ANSWER ON 18/07/2016 TABLED BY DR. SWAMI SAKSHIJI MAHARAJ AND SHRI NARANBHAI KACHHADIYA, MEMBERS OF PARLIAMENT REGARDING STEEL PRODUCTION.

(a) Total quantity of crude steel produced by Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) vis-a-vis target set and percentage growth rate of steel production during each of the last three years is given below:

Steel Authority of India Limited (SAIL)

2013-14 2014-15 2015-16
Target (Million Tonnes) 14.0 15.0 15.5
Production (Million Tonnes) 13.6 13.9 14.3
% growth over last year 1.49 2.21 2.87

Rashtriya Ispat Nigam Limited (RINL)

2013-14 2014-15 2015-16
Target (Million Tonnes) 3.66 4.36 4.21
Production (Million Tonnes) 3.20 3.30 3.64
% growth over last year 4.23 3.13 10.30

(b) The percentage of total demand of steel met by Steel Authority of India Limited (SAIL) during last three years was as under:
Quantity in '000 tonnes
Year Total consumption of steel in the country* Supply of finished steel by SAIL % share of SAIL in total demand
2013-14 67994 10078 14.8%
2014-15 70236 9671 13.8%
2015-16 72703 10122 13.9%
* Source: Joint Plant Committee

(c) During the period 2014-15 and 2015-16, there has been an unprecedented increase in imports of steel by 75% and 27% respectively over the corresponding period, which has resulted in sharp decline in domestic steel prices. Declining prices have led to lower sales realization for domestic steel producers, including SAIL. The fall in prices have led to cash deficit in the company, which is being met by SAIL by way of borrowings from banks and debt market.

(d) Presently, the National Steel Policy, 2005 is in force. The new National Steel Policy is at conceptual stage.

Steel Authority of India Ltd.(SAIL) has undertaken modernization and expansion of its steel plants at an indicative cost of Rs 61,870

crore. All major facilities under modernization & expansion plan except Bhilai Steel Plant have been completed and are under stabilization.

(e) The Indian steel industry is currently passing through a severe downturn due to dumping of products and predatory pricing by global steel players with excess capacity. Government has taken various corrective steps to address the problems faced by the domestic steel sector and to provide level playing field to the domestic steel producers. These include:

(i) In February, 2016, Government imposed Minimum Import Price (MIP) on 173 steel products.
(ii) In June, 2015, an Anti-Dumping Duty was levied for five years on imports of certain variety of hot-rolled flat products of stainless steel.
(iii) In September, 2015, a provisional safeguard duty of 20% was imposed on certain hot-rolled flat steel products.
(iv) Government hiked import duty on various finished and semi-finished steel products.
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